



November 21, 1997

The Honorable William Kennard
Chairman
Federal Communications Commission
1919 M Street, NW
Room 814
Washington, D.C. 20554

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Dear Chairman Kennard;

Fox Communications has been in business for 10 years as a reseller of wireless, Internet access, local and long distance, and other telecommunications services. We are one of Airtouch's most successful resellers. One of the keys to our success was that over four years ago we began packaging innovative telecommunication services and solutions to the consumer something the industry is trying to catch up to today.

Fox and its fifty employees have been very involved in the restructuring process throughout the summer and contributed a number of filings to the docket. We commend the previous Commission on their efforts in trying to restructure the C block Licensee's Installment payments and bring facilities based competition to the marketplace, but feel the Commission's ruling falls short in ensuring a viable C block.

Fox Communications respectfully requests the Commission to reconsider certain aspects of the your recent rules regarding the Installment Payment Financing for C-block Licensees. Specifically, we request the Commission to reconsider its ruling to:

1. Allow licensees to utilize their full down payment in the Disaggregation and Prepayment options; and,
2. Adjust the Prepayment option to reflect the net present value of forgoing the installment payments.

The restructuring decision is highly punitive to C block licensees and does not pose any economical solution to the financing issues troubling the C block licensees. Without a healthy C block it is nearly impossible for Fox to competitively compete with the incumbent cellular and telco giants. The incumbents have a stranglehold on the industry in that they control over 50% of the available wireless POPs in the United States and therefore, are not incented to offer *new* services and economical prices to small businesses such as Fox. I have experienced first hand just how uncompetitive the

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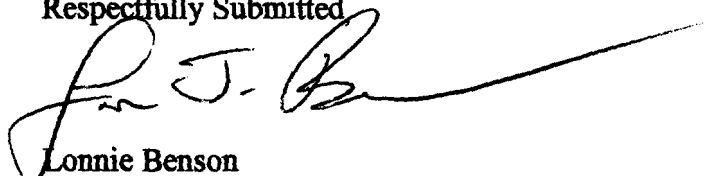
incumbents are in offering economic terms to small businesses. If the FCC didn't mandate the carriers to offer resale, I highly doubt they ever would.

Additionally, the delays in the C block have had a substantial negative impact on my company. We viewed the C block as our last chance to economically grow our business by providing the American public new competitive wireless mobile and local loop services. Fox has made significant investments in our company and our employees to prepare ourselves to offer these new services throughout our service area. Without a viable C block, these investments will likely be wasted.

The Restructuring Order does not provide C block licensees with any commercially reasonable alternatives. We are concerned that the Order will result in even further delays of network build-out and, ultimately, a new competition in the marketplace. The Commission received an enormous amount of support for a non-punitive resolution to the C block financing issues such as the proposals of Chairman Reed Hundt, Congressmen Tauzin and Markey, and other commentators. We believe the Commission did not adequately consider these proposals due to political in-fighting. In the meantime, small companies such as Fox finds itself in the crossfire.

We urge you to reconsider the effect your decision has had on the other small businesses dependent upon a viable C-block and competitive wireless marketplace and hope you will resolve the situation. Without an economical resolution, I believe there will be no significant amount of new facilities-based competition in the future as was anticipated with the Telecommunications Act of 1996.

Respectfully Submitted



Lonnie Benson
CEO

cc: The Honorable Michael Powell
The Honorable Harold Furchtgott-Roth
The Honorable Gloria Tristani
The Honorable Susan Ness
Ms. Magalic Roman Salas, Secretary